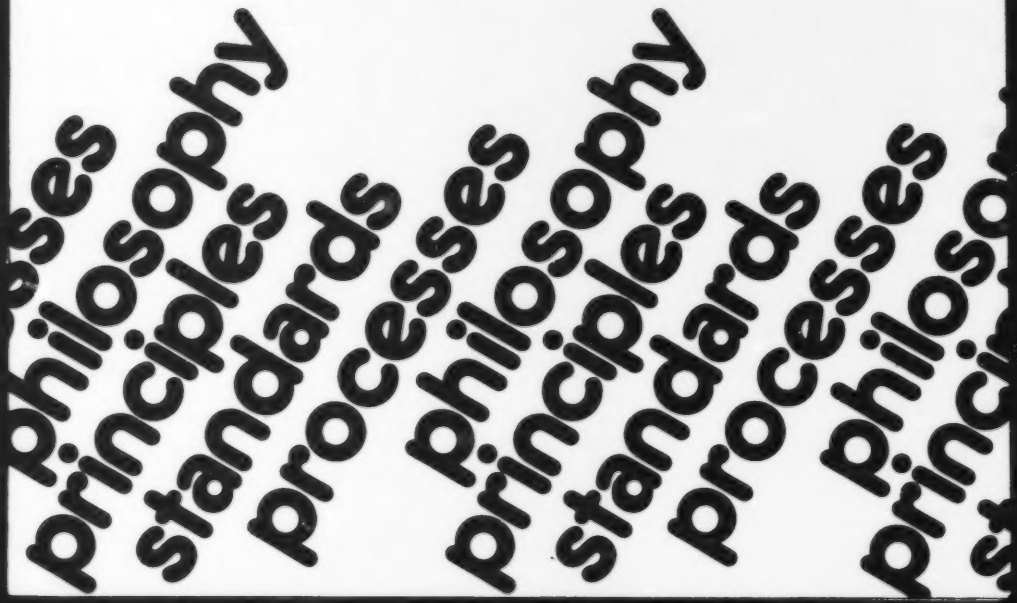
PROCESS
22-3

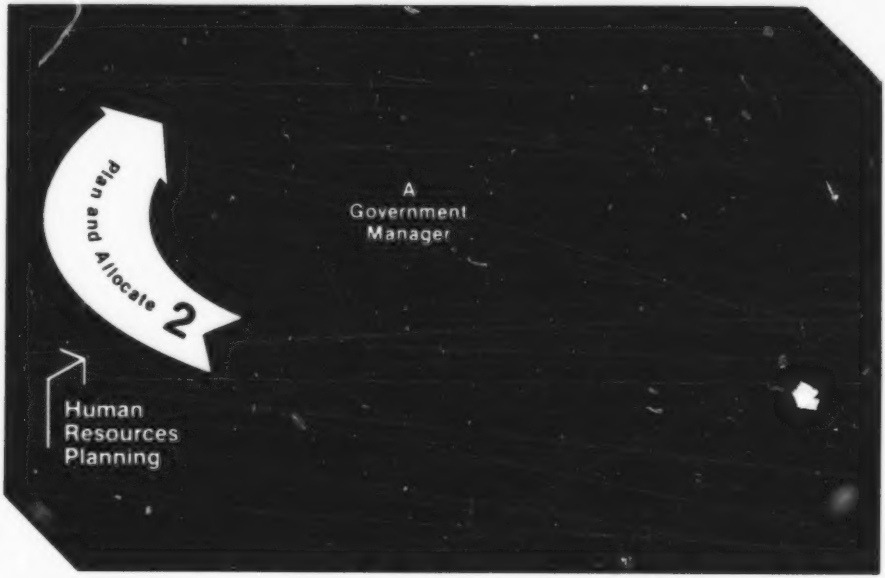
Management
Board
of Cabinet

OPS Management
Series

Human Resources Planning



The Management Cycle



Contents

	Page
Preface	4
1. Introduction	5
2. The Process Summarized	6
3. Process Standards	9
(i) Commitment	9
(ii) Supply and Demand	10
(iii) The Human Resources Plan	15
Appendix A: Summary of Process Standards	18

Preface

In March 1980, Cabinet approved the establishment of the Management Standards Project within the Management Board Secretariat. The project's mandate, to lay the groundwork for further improving management in government, includes developing a publication series which contains standards for the quality of management processes.

The Ontario's Principles and Standards of Management series is organized within the framework of the Management Cycle (shown on inside front cover) and its five sequential management functions. This booklet describes the ministry management process of human resources planning which forms part of the "Plan and Allocate" function. It contains standards that were developed by a working group of staff from ministries in consultation with all ministries and central agencies.

These "standards of excellence" are a set of criteria against which ministries can assess the quality of their human resources planning processes. They can be used as a guide for developing a process or for improving an existing one. Perhaps not all ministries will meet all the standards immediately, but every ministry has a process base on which to build. Revision of these standards will be necessary as times and needs change.

Whatever method of accountability for meeting standards is applied, managers should use them as a basic measure for the quality of their management practices. The motivation for meeting the standards will continue to be self-imposed striving for excellence.

The Management Standards Project gratefully acknowledges the contributions of all those individuals involved in the development of these standards.

1. Introduction

It is a challenging time to be a manager in the Ontario Public Service. Many factors combine to make it so: the advance of technology and its impact on the workplace; the changing composition and values of the work force; the continuing pressure for improved productivity while staffing and funding levels are constrained; and the complexity of government services and the increasing public demand for them.

This changing environment calls for improvement of government planning processes, so that maximum benefit is obtained from the use of available resources. Traditionally the planning cycle has focused on technological capacity, and products and services; human resources have not usually received as much attention. In fact, consideration of human resource requirements is usually reactive (e.g. annual staff constraints) and limited to annual operational planning or to analysis and planning conducted by personnel specialists.

This approach is not appropriate in the management environment of the 80s. As Ontario's management philosophy states, people are the government's most vital and valuable resource. The effectiveness of government organizations depends on the quality and management of *human* resources,above all others. To reflect this priority, and at the same time to enable managers to develop the full potential of their staff, human resources planning must be integrated into every level of each ministry's planning sequence; and managers themselves must direct their practices toward improved use of human resources.

This booklet describes human resources planning for management groups. Throughout the publication, the term "human resources planning" refers to managerial positions. The techniques may, however, be applied to positions throughout a ministry organization. The booklet reviews a collection of components which if implemented, will improve a ministry's ability to plan effectively for the development and deployment of the men and women working for the organization. It will outline active roles for senior ministry management, line managers and human resource specialists.

2. The Process Summarized

Definition

Human resources planning is the process through which management ensures that enough people with the right knowledge, skills, and abilities are available at the right time and in the right positions to meet organizational goals on a continuing basis.

Objectives of the Process

The primary objective of human resources planning is improving organizational competence — enabling the organization to:

- deal with existing responsibilities;
- undertake new responsibilities;
- deal with and develop new techniques and technology in an efficient and effective manner; and
- deal effectively with clients and the public.

Ministry competence depends on the capability of ministry personnel. Therefore a further objective of human resources planning is to improve staff quality. This is achieved through staff growth and development, which increase the ability of the individual to:

- deal with existing responsibilities;
- undertake new responsibilities;
- develop new skills and adapt to new technology and program direction;
- deal effectively with clients and the public; and
- manage staff capably.

The quality of individual performance also will be affected by the extent to which ministry staff are able to satisfy personal needs through:

- rewards (financial and psychological);
- environment (physical and social); and
- the work itself (interest, growth, challenge).

Components of the Process

Human resources planning has five main components:

1. supply and demand forecasting;
2. career planning;
3. employee appraisal and assessment;
4. training and development; and
5. recruitment.

All of these components or activities are aimed at achieving improved organizational competence — through the acquisition, deployment, and development of excellent managers.

Figure 1 shows the relationship between these components of the human resources planning process and other activities in the ministry's planning cycle.

The components described in this booklet are not complex or difficult to apply. They do, however, require the commitment and time of senior management, as well as an awareness of the importance of planning for people.

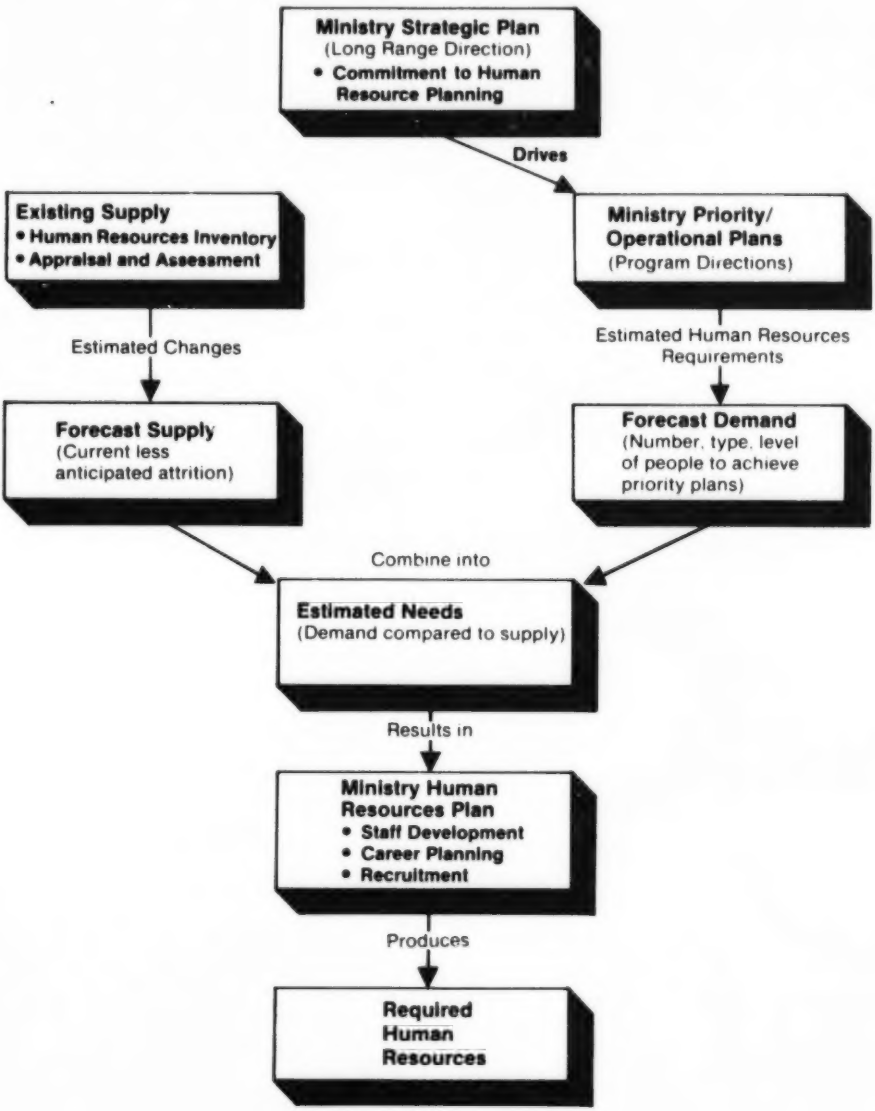
For greatest effectiveness, human resources planning must be integrated with the performance management process. The systems and practices that bear on performance — job criteria, appraisal, assessment, training and development, promotions and placement — need to work in harmony.

As well, managers must ensure that staffing activities, both for immediate and projected needs, are directed toward placing the best available person in every job in the ministry. Most often this can be accomplished through the competitive process; however, direct appointments, selective competitions, and waivers also may be used in appropriate circumstances. A balance should exist between the competitive process and waiver activity. Placement also should be guided by the government's initiatives in affirmative action and equal opportunity.

Ministries must support the development of employees effectively. Planned development for individuals must occur in a public service where promotion from within and the merit principle are important elements in a human resources philosophy. To ensure competent management now and in the future, career development must receive priority attention.

The standards that follow provide a framework for application of the human resources planning process. Within this framework, there is substantial flexibility to accommodate the differing characteristics of ministry organizations. Approaches will vary in depth and sophistication according to the size, complexity, staff needs, and resources of particular ministries.

Figure 1 **Human Resources Planning and the Planning Cycle**



3. Process Standards

(i) Commitment

Effective human resources planning requires the interest, support, and involvement of senior management. No matter how well designed the systems are, without such commitment and participation the process will fail.

Process Standard:

1. **There is a clear written statement of senior management commitment and continuing evidence of involvement and support for human resources planning, demonstrated by a documented ministry process.**

If human resources planning is to become a widely and effectively used tool of management, people in managerial positions throughout the Ontario Public Service must be convinced that its adoption is both necessary and practical.

In undertaking human resources planning, managers are responsible for the following kinds of activity:

- anticipate, on an ongoing basis, the knowledge and skills required to meet present and future program goals;
- identify staffing implications (e.g., shortages, surplus, turnover, problems in recruitment) and plan the necessary action;
- forecast vacancies that are likely to occur as a result of retirements, transfers or promotions and plan for adequate replacement;
- ensure that appropriate training and development experiences are provided to produce the kinds of skills needed now and in the future;
- establish performance evaluation as an important part of the planning process through which candidates are identified and current performance is appraised;
- counsel individual employees regarding their careers and possible career growth within the organization; and
- be aware of socio-economic development and their impact on programs and the work force.

Process Standard:

2. **All management jobs in the Ministry include explicit responsibilities for human resources planning.**

To fulfill these responsibilities, managers will need support from a centralized human resources planning service within the ministry. Such a service should provide information, interpretation, co-ordination, and consultation to senior and line management, thereby enabling managers to make informed decisions about immediate and long range human resources needs.

Process Standard:

3. **Responsibility for co-ordinating human resources planning is clearly assigned to a central support group within the ministry.**

(ii) Supply and Demand

Supply and demand forecasting is an integral component of human resources planning because it provides a picture of potential manpower imbalances that must be addressed through an action plan. The forecasting should be co-ordinated by the central support group, but the information on which forecasts are based must be supplied by line and staff managers and through the ministry's strategic and priority planning processes.

Supply and demand takes into account the ministry's internal and external environments. Internal factors to be considered include budgetary and staff constraint policies, the government's management philosophy, and elements of the strategic and priority plans that have manpower implications. External considerations include the availability of the required skills, technological changes, and changing public expectations regarding levels and types of services.

Figure 2 depicts the series of activities that leads from forecasting to the human resource plan. The challenge is to develop a planning process that is sufficiently flexible to adjust to the changes that will inevitably occur in both the internal and the external environments. When these changes affect the assumptions on which the forecasts were made, the plan must be altered.

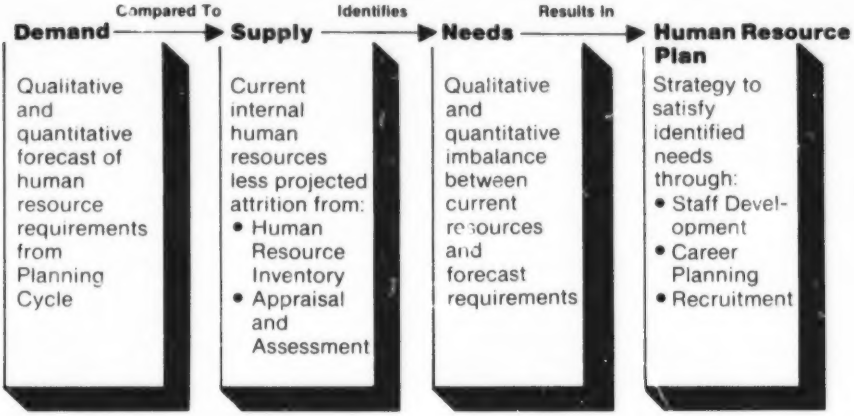
Both supply and demand forecasting have a current and future scenario. The picture of the current demand for managers is obtained; and, in line with the strategic and priority plan, future demand is projected for 3 - 5 years. An inventory of ministry employees — including performance appraisal, assessment, experience, education, and career preferences — provides a picture of the current supply of human resources. The future supply is projected using anticipated attrition (voluntary and involuntary terminations, retirements, promotions, and transfers out).

Senior management is presented with a comparison of the supply forecast and the demand forecast in quantitative and qualitative terms. The results of this comparison form the basis for the development of the ministry's human resources plan. This plan should outline the strategy to be used to ensure that qualified managers will be available to satisfy the projected needs. The plan may include such actions as accelerating the training of managers from within the ministry or undertaking external recruitment.

Process Standard:

4. **Senior ministry management is regularly informed about the relationship between the immediate and long-term supply and demand of management staff and is provided with recommendations to deal with noted imbalances.**

Figure 2 **Supply and Demand**



Through the human resource plan, ministries must ensure the continuing competence of the management team. It is important, therefore, to identify those positions for which no pool of qualified candidates exists, so that corrective action can be taken. Planning for management succession is an essential and continuous process for all managers.

Process Standard:

5. **The ministry develops and implements plans to ensure the maintenance of an adequate pool of qualified candidates for managerial positions.**

(a) Demand

Human resources planning, to be effective and efficient, must be linked with the ministry's strategic, priority and operational planning processes.

At each successive stage of the planning sequence, the information exchanged between those managers responsible for the strategic, priority and operational planning and those responsible for human resources planning becomes more specific and detailed (see Figure 3).

Process Standard:

6. **The ministry incorporates human resource factors into the development of strategic, priority, and operational plans.**

(b) Supply: Human Resources Inventories

To arrive at sound decisions about the use of human resources, management requires considerable information about each employee. This information usually includes such items as skills, experience, career goals, performance appraisal, assessment of potential, and mobility. The ministry should develop an inventory system to maintain current information that will be readily available to the human resources planning process.

The inventory is used to provide managers and the central support group with information related to such activities as:

- identifying the supply of management candidates;
- matching career goals to organizational needs;
- developing training programs;
- planning for developmental assignments; and
- selecting candidates for developmental assignments.

Figure 3 **Human Resources Planning Activities and The Ministry Planning Cycle**

Ministry Planning Processes	Concurrent Human Resource Planning Activities
Strategic Planning (long-range perspective)	• Assessment of the impact of the ministry's statement of goals, broad policies and strategies on human resource requirements in general terms.
Priority Planning (middle range perspective)	• Identifying the organization and the jobs within it. • Development of quantitative and qualitative staffing requirements. • Assessment of available staff to meet requirements. • Development of a recruiting or staff development plan to meet the specific needs.
Operational Planning (annual perspective)	• Organizational changes to meet new demands. • Approval of staffing requirements. • Recruitment where necessary. • Promotions and transfers. • Training and development. • Performance appraisal and assessment.

Criteria should be developed governing the creation, maintenance, and use of the inventory, and managers at all levels should be required to comply with them.

Process Standards:

7. **The ministry maintains a staff inventory that incorporates information necessary to support the human resources planning process.**

8. **The ministry ensures that the following criteria are adhered to in the development of an inventory:**

   - **The purpose of the inventory is delineated clearly to all staff.**
   - **Information is updated annually.**
   - **Access to the information is restricted to a defined group responsible for the application of the human resources planning process.**
   - **If special-purpose inventories are developed that involve a nomination process, such nominations should be based on objective, preset, measurable standards, which are known to all staff.**

Ministries are regularly requested to nominate candidates to the Corporate Development Inventory of the Office of Senior Appointments and Compensation. The nomination process should be based on objective, preset, measurable criteria. These criteria should be made available to both the nominators and interested ministry staff who aspire to executive positions.

Process Standard:

9. **Criteria for nomination to the corporate development inventory, based on the guidelines established by the office of senior appointments and compensation, are disseminated within the ministry.**

(c) Supply: Performance Appraisal and Assessment

Ministries have been directed, in Volume 2 of the Manual of Administration, to develop appraisal systems based on the establishment of work goals, objectives, and targets and to review the achievement of those targets at the end of a defined period. Performance appraisal and assessment are necessary to effective human resources planning. They produce information about an employee's present performance (appraisal) and potential for assuming increased responsibility (assessment). When aggregated, this information provides data about the present and future supply of competent managers available to the ministry. When used on an individual basis, the information can highlight opportunities for staff development.

Process Standards:

10. **The staffing activity is consistent with performance appraisal and assessment information.**

11. **The ministry clearly defines criteria for assessing potential and promotability.**

The results of employee appraisal and assessment should be reviewed by management at the next level of supervision and discussed with the employee before the information is included in the ministry's inventory. Also, to ensure that the inventory data are correct, all individuals listed on the inventory should be allowed to review their personal file. If such information as career goals and mobility forms part of the inventory, each person should have the opportunity to update these items at any time.

Process Standards:

12. **Employee appraisal and assessment information is added to the inventory only after it has been reviewed by the next level of supervision and discussed with the employee.**

13. **Information held about an individual for human resources planning decisions is available to that individual for review, update, and comment.**

(iii) The Human Resources Plan

(a) Staff Development

The career aspirations of individuals and the development and use of their abilities are essential ingredients in improving organizational competence. Morale, motivation, and perceptions of being treated fairly affect staff performance and can be influenced significantly through planned training and development.

Managers have an explicit responsibility to facilitate and promote staff development in their organizations. Through training and development, they can more effectively achieve organizational objectives and attain a high level of operational competence.

Supply and demand forecasting and individual appraisal and assessment produce information about skill requirements for both the organization and individual employees. In the light of these identified needs, a training and development program can be developed by the central resources group, in consultation with line managers.

On the basis of data pertaining to organizational demand and individual performance assessments, individual managers and senior ministry management should consider a range of appropriate methods of achieving specified developmental objectives. Those actions could include outside training programs, Civil Service Commission courses, development of internal courses for ministry staff, on-the-job training, job enrichment, developmental assignments, or retraining of surplus staff.

Process Standards:

14. **Development of staff is a specific responsibility in all management position specifications and is used as one of the appraisal criteria for managers.**

15. **Individual staff development is based primarily on needs identified through performance appraisal, assessment, and career planning.**

Developmental assignments — assignments of new responsibilities to individuals for developmental purposes — provide an excellent vehicle for ministries to enhance management competence. When positions are used in this fashion, placement should be goal directed and performance feedback must be frequent.

Process Standard:

16. Developmental assignments have clearly defined and writtten objectives, and the results are measured.

(b) Career Planning

Career planning is primarily the responsibility of the employee and springs from a desire for personal growth and achievement. Managers, however, are responsible for developing their employees' capabilities for self-advancement.

The manager should be available to discuss and help develop the employee's career action plan and to provide support where appropriate. For career planning to be successful, both managers and employees need information about the organization's anticipated human resource needs, as well as the training and development resources available to them. Employees also need a frank assessment of their potential. Only then can development programs be tailored to meet the needs of both the individuals and the organization.

Process Standard:

17. Employees are provided with information essential to adequate career planning and the opportunity to discuss their career plans with their manager.

The development of trained managers to fill higher-level positions can be improved if the promotional criteria for specific positions are clearly defined through analysis of the job requirements. This analysis involves gathering of information on the principal activities of a job and identifying the skills, knowledge, and abilities necessary to perform these activities.

Analysis of selected management positions provides a multi-purpose information base. It can be used to develop objectives for performance reviews, to identify selection criteria for recruitment, to identify training and developmental needs, and to provide for organizational review and redesign. Also, it can be used to develop career paths, so that employees are aware of possible alternative sequences of jobs, whether lateral or vertical, that provide the required experience base for promotion to higher management levels.

Process Standard:

18. Skill — and knowledge-based promotional criteria for selected managerial positions are made available to ministry staff.

(c) Recruitment

The human resources plan may identify essential skills or knowledge not available within the present staff. The ministry must then decide either to recruit externally to fill the need or to develop the skills internally. Time is obviously a major factor in this decision, as well as the feasibility of developing the requisite skills. It may also be desirable from time to time to recruit externally to bring new ideas and perspectives into the organization.

Senior management should ensure that promotional opportunities for current staff are not unreasonably cut off by external recruitment activity.

The early identification of staffing needs improves the ministry's ability to meet those needs through internal staff development or, alternatively, provides longer lead time for specialized external recruitment.

Process Standard:

19. External recruitment activity is reviewed regularly to ensure that promotional and developmental opportunities are not unreasonably denied to current staff.

Nothwithstanding the individuality of ministry initiatives in the area of human resources planning, there are numerous opportunities for co-ordination of these efforts. An example is the exchange of managers between ministries through the vehicle of developmental assignments. An extension of this concept is the assignment that involves a move not only between ministries, but also between geographic regions. This type of development gives the participant a broad corporate perspective that is particularly valuable to the employee and to the public service. Ministries should look for similar opportunities to work together in human resources planning.

Appendix A

Summary of Process Standards

Commitment

1. There is a clear written statement of senior management commitment and continuing evidence of involvement and support for human resources planning, demonstrated by a documented ministry process.
2. All management jobs in the ministry include explicit responsibilities for human resources planning.
3. Responsibility for co-ordinating human resources planning is clearly assigned to a central agency support group within the ministry.

Supply and Demand

4. Senior ministry management is regularly informed about the relationship between the immediate and long-term supply and demand of management staff and is provided with recommendations to deal with noted imbalances.
5. The ministry develops and implements plans to ensure an adequate pool of qualified candidates for managerial positions.
6. The ministry incorporates human resources factors in the development of strategic, priority and operational plans.
7. The ministry maintains a staff inventory which incorporates information necessary to support the human resources planning process.

8. The ministry ensures that the following criteria are adhered to in the development of an inventory:

    - the purpose of the inventory is delineated clearly to all staff.
    - information is updated annually.
    - access to the information is restricted to a defined group responsible for the application of the human resources planning process.
    - if special purpose inventories are developed that involve a nomination process, such nominations should be based on objective, preset, measurable standards, which are known to all staff.

9. Criteria for nomination to the corporate development inventory, based on the guidelines established by the office of senior appointments and compensation, are disseminated within the ministry.
10. The staffing activity is consistent with performance appraisal and assessment information.
11. The ministry clearly defines criteria for assessing potential and promotability.
12. Employee appraisal and assessment information is added to the inventory only after it has been reviewed by the next level of supervision and discussed with the employee.
13. Information held about an individual for human resources planning decisions is available to that individual for review, update and comment.

The Human Resources Plan

14. Development of staff is a specific responsibility in all management position specifications and is used as one of the appraisal criteria for managers.
15. Individual staff development is based primarily on needs identified through performance appraisal, assessment and career planning.
16. Developmental assignments have clearly defined and written objectives, and the results are measured.
17. Employees are provided with information essential to adequate career planning and the opportunity to discuss their career plans with their manager.
18. Skill — and knowledge-based promotional criteria for selected managerial positions are made available to ministry staff.
19. External recruitment activity is reviewed regularly to ensure that promotional and developmental opportunities are not unreasonably denied to current staff.

© Queen's Printer, Toronto 1982
ISSN 0 710-8001